

INFORMATION REQUIRED FOR EVOLUTION FUNDING (2023)

Evolution Funding are a secondary broker who works with a large panel of lenders. In order for us to facilitate a standard customer journey that meets the requirements of all parties in the distribution chain and consumer duty itself, we need to collate identical information from all our lenders.

The information requested is based on the rules and guidance in the applicable provisions of PRIN 2A.2, 2A.3 and 2.A.4 inclusive together with Chapter 6 of FG 22/5.

To give us the opportunity to disseminate the information down to our retailers by the July deadline, please provide this information by Thursday 20th April at the latest.

If Evolution sell more than one of your products (HP/PCP etc.) then please complete the below separately for each e.g HP and PCP

Supporting notes are supplied in blue to highlight the information we expect to be included.

<p>Name of firm: Billing Finance LTD Product Name: Hire Purchase Finance Date: 20th April 2023 Reviewed on: N/A</p>	
<p>Product Information</p>	
<p>Product Characteristics</p>	<ul style="list-style-type: none"> • <i>Fixed monthly repayments.</i> • <i>No fees or charges (except legally required £1 OTP fee)</i> • <i>Simple, clear Hire Purchase documentation with a plain English approach</i> • <i>Specific vehicle criteria with max balances financed.</i> • <i>Legal right to make partial payments, partial settlements and settle early.</i> • <i>Legal right to withdraw.</i> • <i>Term length from 2 – 7 years (asset dependent)</i> • <i>We finance between £1499 (bike), £2,000 (car) and £25,000</i>
<p>Product Suitability</p>	<p><i>This product is only suitable for the financing of eligible vehicles.</i></p> <p><i>The product is not suitable for</i></p> <ul style="list-style-type: none"> - <i>Customers who want to reduce their monthly payments through deferral of a balloon (we do not offer PCP)</i> - <i>Customers who are seeking bridging finance</i> - <i>Customers who do not want to own their vehicle (we do not offer leasing/non-ownership products)</i> - <i>Customers who are unable to meet the terms of the agreement including making their regular schedule monthly instalments.</i>

Product Risks	<p><i>The main risk is a customer is sold a product that is not suited to their needs and circumstances.</i></p> <p><i>Risks inherent in the product is the risk of repossession if payments are not maintained and adverse credit file impact of non-payment.</i></p>
Target Market Information	
Target Market	<p><i>Include cohorts and suitability, customer needs and objectives.</i></p> <p><i>Our HP product is best suited to customers who;</i></p> <ul style="list-style-type: none"> • <i>May have non-standard credit histories/profiles and cannot secure finance through mainstream lending.</i> • <i>Want to own their outright at the end of their agreement through a Hire Purchase product. .</i>
Shared characteristics	N/A
Vulnerable customers	<p><i>Any customer who indicates a foreseeable event or circumstance which may affect the long-term sustainability of the finance product may not be suitable for an agreement – further information should be obtained before sending to us for a decision.</i></p> <p><i>Customers should have a clear understanding of the terms and conditions – any barriers which may affect the customers’ ability to understand the terms (e.g. capacity limitations, low literacy) must be made known to us at proposal stage.</i></p> <p><i>Please contact us if you need any further information about how we support the needs of all our customers in relation to the Product.</i></p>
Distribution Strategy Information	
Distribution Strategy	<ul style="list-style-type: none"> • <i>Broker introduced – online.</i>
Prohibited sales	<ul style="list-style-type: none"> - <i>GAP insurance</i> - <i>Non-tangibles (paint protection etc)</i> - <i>Negative equity finance</i>
Prohibited distribution methods/processes	
Appropriateness: Conduct Risk and Fair Value	
Conflicts of Interest	N/A

<p>Provider assessment of Fair Value</p>	<p><i>We have developed a comprehensive and robust assessment process which evaluates several aspects of our business to determine the value of our product. This analysis is used to ascertain whether the Product delivers fair value for customers.</i></p> <p><i>The outcomes of the assessment process are presented to the Product & Pricing Committee, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.</i></p> <p><i>Our fair value assessment has considered the following:</i></p> <table border="1" data-bbox="491 636 1385 1794"> <thead> <tr> <th data-bbox="491 636 756 707"><i>Benefits</i></th> <th data-bbox="756 636 916 707"><i>Price</i></th> <th data-bbox="916 636 1225 707"><i>Costs</i></th> <th data-bbox="1225 636 1385 707"><i>Limitations</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="491 707 756 891"><i>Ownership of vehicle with no mileage restrictions prior to ownership</i></td> <td data-bbox="756 707 916 891"><i>APR/cost of borrowing</i></td> <td data-bbox="916 707 1225 891"><i>Cost of borrowing as priced for customer risk</i></td> <td data-bbox="1225 707 1385 891"></td> </tr> <tr> <td data-bbox="491 891 756 1283"><i>Service provision (quality assurance, in house Compliance & Legal team, UK based call centre open 6 days per week, pre-employment screening for all staff)</i></td> <td data-bbox="756 891 916 1283"><i>n/a</i></td> <td data-bbox="916 891 1225 1283"></td> <td data-bbox="1225 891 1385 1283"></td> </tr> <tr> <td data-bbox="491 1283 756 1355"><i>Clean good/title check</i></td> <td data-bbox="756 1283 916 1355"><i>n/a</i></td> <td data-bbox="916 1283 1225 1355"><i>Cost of independent asset valuation</i></td> <td data-bbox="1225 1283 1385 1355"></td> </tr> <tr> <td data-bbox="491 1355 756 1498"><i>Fair market value financed</i></td> <td data-bbox="756 1355 916 1498"><i>n/a</i></td> <td data-bbox="916 1355 1225 1498"><i>Cost of independent asset valuation (not directly passed on to customer)</i></td> <td data-bbox="1225 1355 1385 1498"></td> </tr> <tr> <td data-bbox="491 1498 756 1610"><i>Fraud protection checks</i></td> <td data-bbox="756 1498 916 1610"><i>n/a</i></td> <td data-bbox="916 1498 1225 1610"><i>Cost of membership (not directly passed on to customer)</i></td> <td data-bbox="1225 1498 1385 1610"></td> </tr> <tr> <td data-bbox="491 1610 756 1715"><i>Trade body membership (FLA)</i></td> <td data-bbox="756 1610 916 1715"></td> <td data-bbox="916 1610 1225 1715"><i>Cost of membership (not directly passed on to customer)</i></td> <td data-bbox="1225 1610 1385 1715"></td> </tr> <tr> <td data-bbox="491 1715 756 1794"><i>Sufficient rate of lender return</i></td> <td data-bbox="756 1715 916 1794"><i>APR</i></td> <td data-bbox="916 1715 1225 1794"><i>Customer risk of default/performance</i></td> <td data-bbox="1225 1715 1385 1794"></td> </tr> </tbody> </table>				<i>Benefits</i>	<i>Price</i>	<i>Costs</i>	<i>Limitations</i>	<i>Ownership of vehicle with no mileage restrictions prior to ownership</i>	<i>APR/cost of borrowing</i>	<i>Cost of borrowing as priced for customer risk</i>		<i>Service provision (quality assurance, in house Compliance & Legal team, UK based call centre open 6 days per week, pre-employment screening for all staff)</i>	<i>n/a</i>			<i>Clean good/title check</i>	<i>n/a</i>	<i>Cost of independent asset valuation</i>		<i>Fair market value financed</i>	<i>n/a</i>	<i>Cost of independent asset valuation (not directly passed on to customer)</i>		<i>Fraud protection checks</i>	<i>n/a</i>	<i>Cost of membership (not directly passed on to customer)</i>		<i>Trade body membership (FLA)</i>		<i>Cost of membership (not directly passed on to customer)</i>		<i>Sufficient rate of lender return</i>	<i>APR</i>	<i>Customer risk of default/performance</i>	
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<p>Requirements of distributors</p>	<p><i>What do you need from us to evidence compliance with Consumer Duty.</i></p>																																			

	<ul style="list-style-type: none"> • <i>All distributors must be signed up to the current broker agreement and standards.</i> • <i>Must be SAF approved</i> • <i>Must be FCA approved and have correct permissions for activities being completed</i> • <i>Must be registered to the ICO</i> • <i>Must be registered on Companies House</i> • <i>Must have robust Cyber Security in place</i> • <i>Must have an adequate process for sign off of financial promotions to ensure compliance</i> • <i>Must ensure consent from the customer to pass data for processing for application</i> • <i>Compliance with the requirement for systems and controls to ensure quality and mitigate customer harm.</i>
<p>Monitoring and review</p>	<p><i>To be advised</i></p>
<p>Escalation</p>	<p><i>When and how should we escalate to you.</i></p> <p><i>By contacting Billing Finance’s Senior Relationship Manager in the following instances;</i></p> <ul style="list-style-type: none"> • <i>Actual OR Suspected Fraud</i> • <i>Complaints/CMC contact</i> • <i>Any news article or digital content that has the potential to cause Billing Finance risk reputational risk</i>
<p>Contact point/ further questions</p>	<p><i>Who would we raise further requests regarding Consumer Duty with in your business.</i></p> <ul style="list-style-type: none"> • <i>Billing Finance’s Senior Relationship Manager (James Ellwood) in the first instance</i>